



James C. Pruitt
President
General Government Affairs

Corporate Communications
a Division of Texaco Inc

1050 17th Street NW
Suite 500
Washington DC 20036

November 22, 1996

Mr. David S. Guzy
Chief, Rules and Procedures Staff
Minerals Management Service
Royalty Management Program
P. O. Box 25165
MS 3101
Denver, CO 80225-0165

Dear Mr. Guzy:

Texaco Inc. appreciates the opportunity to comment on the Minerals Management Service (MMS) notice of proposed rulemaking entitled "Amendments to Gas Valuation Regulations for Indian Leases" (61 FR 49894, September 23, 1996). We have reviewed the proposed rule and offer the following comments.

Texaco agrees with, references, and hereby adopts as its own, the comments made by the Council of Petroleum Accountants (COPAS) and the Rocky Mountain Oil and Gas Association (RMOGA) to this rulemaking. In addition, we would like to offer the following general comments.

Texaco commends the hard work, open discussion and good faith negotiations on the part of all members of the Negotiated Rulemaking Committee. However, COPAS and RMOGA have pointed out some serious problems with parts of the rule as proposed by the Minerals Management Service (MMS) which do not represent a full consensus of the Committee.

Texaco trusts that the MMS will give our comments serious consideration prior to promulgating a final rule.

Sincerely,

JCP:sdf
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